

**AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE
AUTHORITY, HELD ON THE 7TH DAY OF SEPTEMBER 2010, 7:00 P.M., COUNTY
ADMINISTRATION CONFERENCE ROOM, MONTGOMERY COUNTY GOVERNMENT
CENTER, CHRISTIANSBURG, VIRGINIA:**

| | | |
|-----------------|-----------------|-------------------------|
| PRESENT: | Gary Creed | -Chair |
| | Mary Biggs | -Secretary-Treasurer |
| | Annette Perkins | -Member |
| | John Muffo | -Member |
| | William Brown | -Member |
| | Doug Marrs | -Member |
| | Robert C. Fronk | -PSA Director |
| | Linda Pendleton | -Secretary to PSA Board |
| | Craig Meadows | -County Administrator |
| | Marty McMahon | -County Attorney |

| | | |
|----------------|---------------|-------------|
| ABSENT: | James Politis | -Vice Chair |
|----------------|---------------|-------------|

CALL TO ORDER

Chair Creed called the meeting to order and determined that a quorum was present.

PUBLIC ADDRESS SESSION

John Neel, Gay & Neel, Henry Brabham, Developer, Ironto Waterline Extension, and Chic Pace, Contractor, were present to discuss the project. Mr. Neel presented an overview of the project and costs that had been incurred by Mr. Brabham. They have had to stop the project due to easement issues with a property owner. Negotiations with the property owner have not been successful; therefore, the project cannot move forward until the easement issue is resolved. They are requesting that the PSA Chair and Director arrange a meeting with the property owner to try and find out what it would take to get the water through that portion of his property.

CONSENT AGENDA

On a motion by Annette Perkins, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated September 7, 2010.

The vote on the foregoing motion is as follows:

| | | |
|-----------------|------------|---------------|
| AYE | NAY | ABSENT |
| John Muffo | | James Politis |
| Annette Perkins | | Mary Biggs |
| William Brown | | |
| Doug Marrs | | |
| Gary Creed | | |

**APPROVAL OF MINUTES
DATED AUGUST 2, 2010**

On a motion by Annette Perkins, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes dated August 2, 2010.

**R10-09-1
RESOLUTION ACCEPTING THE PRESERVE AT
WALNUT CREEK, PHASE II SEWER FACILITIES
CHattel DEED**

On a motion by Annette Perkins, seconded by William Brown, and carried; IT WAS RESOLVED, by the Board of Directors of the Montgomery County Public Service Authority, that the Board of Directors hereby agree to accept the Chattel Deed for the Preserve at Walnut Creek, Phase II sewer facilities; and, that said Chattel Deed provides fee simple transfer of the constructed sewer lines, valves, fittings, laterals, connections, storage facilities, pumps, manholes and any and all equipment and appurtenances to the Montgomery County Public Service Authority. The Chattel Deed is hereby attached and made part of this Resolution by reference.

BE IT FURTHER RESOLVED, that the Chair of the Montgomery County Public Service Authority is hereby authorized to sign the above referenced Chattel Deed for the purpose of acknowledging acceptance of the Deed on behalf of the Directors of the Montgomery County Public Service Authority.

**R10-09-2
RESOLUTION APPROVING
DEED OF EASEMENT AND VACATION
KNOLLWOOD ASSOCIATES, LLC
DAVIS STREET MEDICAL OFFICE
WATERLINE EASEMENT**

On a motion by Annette Perkins, seconded by William Brown, and carried; IT WAS RESOLVED, by the Board of Directors of the Montgomery County Public Service Authority, that the Board of Directors hereby agree to accept the proposed Deed of Easement and Vacation from Knollwood Associates, LLC, hereinafter described and shown on plat entitled "A New 15' Public Waterline Easement and The Vacation of a Portion of an Existing 20' Public Waterline Easement", dated August 11, 2010, made by John R. McAden, Parcel ID No. 005757, Tax Map No. 67-A-48, to be recorded herewith, for the transmission or distribution of raw or treated water over, upon, across and under property of Knollwood. The Public Service Authority hereby releases and vacates to Knollwood that portion of the public utility easement shown and described on the Plat as "Existing 20' Public Waterline Easement to be Vacated". The Deed of Easement and Vacation is hereby attached and made a part of this Resolution by reference.

FURTHER, it being a portion of the same property conveyed unto Knollwood by deeds dated December 5, 2008 from Kelly Burdette, recorded as Instrument No. 08012105 and Instrument No. 08012106 and recorded in the Office of the Clerk of Montgomery County.

BE IT FURTHER RESOLVED, that the Chair of the Montgomery County Public Service Authority is hereby authorized to sign the above referenced Deed of Easement and Vacation for the purpose of acknowledging acceptance of the Easement on behalf of the Board of Directors of the Montgomery County Public Service Authority.

**R10-09-3
RESOLUTION ACCEPTING THE DAVIS STREET
MEDICAL OFFICE WATER/SEWER FACILITIES
CHATTEL DEED**

On a motion by Annette Perkins, seconded by William Brown, and carried; IT WAS RESOLVED, that the Board of Directors of the Montgomery County Public Service Authority, that the Board of Directors hereby agree to accept the Chattel Deed for the Davis Street Medical Office water and sewer facilities; and, that said Chattel Deed provides fee simple transfer of all water and/or sewer lines, valves, fittings, laterals, connections, storage facilities, sources of water supply, pumps, manholes and any and all equipment and appurtenances to the Montgomery County Public Service Authority. The Chattel Deed is hereby attached and made part of this Resolution by reference.

BE IT FURTHER RESOLVED, that the Chair of the Montgomery County Public Service Authority is hereby authorized to sign the above referenced Chattel Deed for the purpose of acknowledging acceptance of the Deed on behalf of the Directors of the Montgomery County Public Service Authority.

REVIEW WATER METER INSTALLATION COSTS FOR SEWER ONLY/FLAT RATE ACCOUNTS

**R10-09-5
RESOLUTION APPROVING
POLICY RELATING TO WATER METER INSTALLATION COSTS
FOR SEWER ONLY/FLAT RATE ACCOUNTS**

On a motion by William Brown, seconded by John Muffo, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the following policy relating to water meter installation costs for sewer only/flat rate accounts:

Water Meter Installation Costs for Sewer Only/Flat Rate Accounts

Purpose:

This policy addresses the installation of PSA standard water meters on the private water supply to sewer only accounts so that sewer billing can be based upon actual water usage. Sewer only accounts that are not properly metered are billed based upon the historical PSA average sewage usage.

General Conditions:

1. Upon payment of the applicable fees or executing an installment plan, the PSA shall provide a PSA standard water meter that is compatible with current meter reading equipment. The Property Owner shall be required to provide the materials and labor required for installing the water meter on the customer's water supply.
2. The water meter shall be installed per current PSA standard for water meter installations (Water and Sewer Design & Construction Standards; Single Residential Water Service Detail, W-01). The installation shall be inspected by the PSA to insure that it is installed consistent with the PSA standard. By inspecting the installation, the PSA in no way is providing a warranty on the workmanship or materials used in the installation. Initiation of billing using the water meter will start thereafter.
3. The water meter shall remain the property of the PSA. All other lines and fixtures shall be owned by the property owner.

4. The property owner of record and any tenant are required to execute an agreement granting the PSA the right to have the meter on the property and the right to access the property to read, inspect or otherwise access the water meter.
5. Tampering, making inaccessible, or in any manner attempting to affect the accuracy or ability to read the water meter, shall result in removal of the meter, the remaining installment water meter fees (if applicable) becoming immediately due and resumption of sewer billing based upon the current sewer only flat rate.
6. The property owner of record and any tenant(s) must agree to all terms and execute an agreement acknowledging such. The utility account may be temporarily assigned to a tenant/lessee, but this shall not relieve the property owner from any condition or requirement of this procedure even for actions of the tenant/lessee.
7. Upon transfer of the property, the new owner shall have permission to use the previously installed meter provided (1) the previous owner's account is paid in full, (2) the new owner has executed the required agreement to activate sewer billing based upon an installed meter and (3) all other conditions for service are satisfied.

Fees and Charges:

1. The water meter and inspection fee shall be \$244.50. Fee represents the current vendor cost to the PSA for water meters and current inspection fee per PSA Regulations and shall automatically change upon changes to the PSA Regulations or vendor cost for water meters.
2. The water meter and inspection fee may be paid by installment provided a 10% flat charge is applied to the fee. If paid by installments, the water meter and inspection fee shall be \$268.95. The installment period shall be 12 months for \$22.41 per month or 18 months for \$14.94 per month.
3. All fees and charges shall be included in the monthly PSA utility billing and non-payment of any fees or costs shall be processed per standard procedures. If the utility account is cut-off for non-payment, all outstanding water meter fees shall become immediately due and shall be paid prior to restoration of service.

The vote on the foregoing motion is as follows:

| | | |
|---------------|-----|-----------------|
| AYE | NAY | ABSENT |
| John Muffo | | James Politis |
| William Brown | | Annette Perkins |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

APPROVAL OF THE AMENDMENTS TO LICENSE AGREEMENTS WITH NORFOLK SOUTHERN RAILWAY COMPANY

**R10-09-4
RESOLUTION APPROVING THE AMENDMENTS TO
LICENSE AGREEMENTS WITH
NORFOLK SOUTHERN RAILWAY COMPANY**

On a motion by William Brown, seconded by Mary Biggs, and carried; IT WAS RESOLVED;

WHEREAS, the Montgomery County Public Service Authority (the "Public Service Authority") has entered into numerous annual license agreements with Norfolk Southern Railway (the "Railroad") whereby the Railroad grants the Public Service Authority permission to locate water and sewer lines on the Railroad right of way; and

WHEREAS, the Public Service Authority has been paying the Railroad an annual license fee for each of the license agreements; and

WHEREAS, the Railroad has proposed amending each of the license agreements with the Authority by instituting a onetime license fee, payable over a two-year period, in lieu of an annual fee in order to eliminate billing requirements; and

WHEREAS, the Public Service Authority is in agreement with the Railroad on instituting a onetime fee for each License Agreement in order to eliminate having to process annual payments.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Montgomery County Public Service Authority, that the Board of Directors hereby agree to amend each of the license agreements with Norfolk Southern Railway by instituting a onetime license fee, payable over a two-year period, in lieu of annual payments for each license agreement.

BE IT FURTHER RESOLVED, that the Board of Directors hereby agree to authorize Gary Creed, Chair of the Authority, to execute each of the amendments to the license agreements with the Railroad on behalf of the Public Service Authority.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|---------------|
| John Muffo | | James Politis |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

FINANCIAL REPORT

The financial report for period ending August 31, 2010 was presented for review and discussion.

DIRECTOR'S REPORT

The Director's Report included the following items:

1. Monthly Activities Report
The August 2010 report was presented for review.
2. Blacksburg-VPI Sanitation Authority Proposed Sewer Billing Procedures
The Blacksburg-VPI Sanitation Authority (BVPISA) recently concluded a flow monitoring study using multiple sewer meters to evaluate billing based upon sewer flows instead of the current procedure that uses bulk water meter readings. At their August 17, 2010, the BVPISA Board decided to implement sewer billing based upon sewer flows rather than the current method and appointed a panel to work out details with an expected start date of July 2011.
3. RAAP Water System Improvements
Numerous improvements are being made to the RAAP water system including construction of a new water treatment plant, installation of new water line and removal from service of 25,000 feet of service lines. The Director presented an email to this affect. It is projected that the removed service lines should reduce the water system losses by 85,000 gallons per day.

4. Utility Billings Procedures
The Director presented a copy of the latest version of the Utility Billing Procedures. These procedures were developed and have been updated to address Utility Billing issues in a consistent manner. Most of the Finance Department staff handles customer inquiries and this reference is to be used to insure that the issues are addressed in a consistent manner.
5. DEQ Inspection of the Riner Sewage Treatment Plant
On June 29, 2010, a DEQ inspector conducted an inspection of the Riner Sewage Treatment Plant and made two recommendations in his August 3, 2010 report. The Director presented a copy of the report. Correcting the UV (Ultraviolet) system control could be done in stages with the first stage expected to cost about \$12,000. The total cost to change out the entire existing UV system is expected to cost up to \$30,000 including the first stage cost. DEQ are directing that the UV system be corrected as soon as possible.
6. VDH Grant Applications
The PSA's consultant engineer submitted the planning grant applications for the Shawsville Well Development and the Prices Fork & Plum Creek Water System Interconnect on August 27, 2010. It is expected that it will be several months before we will be notified of grant award.
7. Industrial User Permit Violation
The only industry currently under an industrial sewer discharge permit had a permit limit violation for Total Cyanide from a sample collected in June 2010. This violation did not create any issues at the PSA sewage treatment facility. Due to the timing of the sample collection, this violation is classified as a significant non-compliance requiring issuance of a Notice of Violation (NOV) and publication in the newspaper at the end of the calendar year (January 2011).
8. Utility Accounts Review
Due to recent concerns with water and sewer sales projections, the Director has performed review of numerous utility accounts. These reviews were performed on all accounts along several streets in the Plum Creek system and focused on irregular usage patterns. As a result of this review a number of water meters were replaced and several were sent off for calibration to determine meter accuracy. The meter calibration results have not yet been received.
9. Huckleberry Ridge Development
This proposed 366-unit residential subdivision on 60+ acres is located at the southeastern corner of Merrimac and Hightop Roads. A request for water and sewer service for 250 units was received in April 2010. During the review for service, it was determined that there may be issues relative to the service area. The Director met with the Blacksburg Town Manager to review, and afterwards submitted a request to revise the boundary of the service area agreement.
The Town Manager reviewed the request during a Town Council work session on August 17, 2010 and indicated that the Town would "defer consideration of this agreement adjustment until after the public input process associated with the development application." This means the developer must spend considerable time and money to proceed with the rezoning application before the Town would respond to the boundary revision request. The Director sent a second request asking that the Town provide assurance that they would agree to the service area boundary revision provided the County approves the rezoning application due to the expense and time to the developer.
10. Fire Hydrant Maintenance
The Director informed the Board that the annual fire hydrant maintenance inspection work had started, and it should be completed within a couple weeks.
11. Treasurer's Request for Additional Funds for Personnel
The Director received an email from the Treasurer concerning the PSA/County providing additional funds for a position to help with PSA payments. The Treasurer has posted a sign stating that beginning the first of the year, payments will no longer be accepted in their office.

12. Walnut Creek – Warranty Inspection of Section III

The third section warranty is complete. There were a number of items that were identified that needed to be completed when the inspection was performed. The Director has given the developer 30 days to complete these items.

The Board requested that the Director respond to the Treasurer's request for additional funding for personnel.

AUTHORITY MEMBERS' REPORT

Annette Perkins

-Wanted to know if staff had done an analysis to determine where most cutoffs occurred and if staff worked with these customers concerning their delinquencies.

The Director stated he expected that most of the cutoffs occurred in the Plum Creek area. He informed the Board that staff works with customers on past due balances, which includes a short term plan and an installment plan for payment arrangements.

INTO CLOSED MEETING (In at 8:30 p.m.)

On a motion by Annette Perkins, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby enters into Closed Meeting for the discussion of the following:

- Section 2.2-3711
- (7) Consultation with Legal Counsel and Briefings by Staff Members or Consultants Pertaining to Actual or Probable Litigation, Where such Consultation or Briefing in Open Meeting Would Adversely Affect the Negotiating or Litigating Posture of the Public Body; and Consultation with Legal Counsel Employed or Retained by a Public Body Regarding Specific Legal Matters Requiring the Provision of Legal Advice by Such Counsel
1. Water and Sewer Agreements – Town of Christiansburg

The vote on the foregoing motion is as follows:

| | | |
|-----------------|-----|---------------|
| AYE | NAY | ABSENT |
| John Muffo | | James Politis |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

OUT OF CLOSED MEETING (Out at 8:50 p.m.)

On a motion by William Brown, seconded by Annette Perkins, and carried; IT WAS RESOLVED, that the Public Service Authority ends their Closed Meeting to return to Regular Session.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|---------------|
| John Muffo | | James Politis |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

CERTIFICATION OF CLOSED MEETING

On a motion by John Muffo, seconded by Annette Perkins, and carried; IT WAS RESOLVED, that the Public Service Authority of Montgomery County has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Public Service Authority does hereby agree, that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the meeting to which this certification resolution applies; and (ii) only public business matters as were identified in the motion conveying the Closed Meeting were heard, discussed or considered by the Authority.

The vote on the foregoing motion is as follows:

| AYE | NAY | ABSENT |
|-----------------|-----|---------------|
| John Muffo | | James Politis |
| Annette Perkins | | |
| William Brown | | |
| Doug Marrs | | |
| Mary Biggs | | |
| Gary Creed | | |

ADJOURNMENT

There being no further business, the Chair adjourned the meeting to the next meeting scheduled for October 4, 2010.